

AUG 01 2006

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DATE: August 1, 2006

PTO IDENTIFIER:	Application Number 09/740,930-Conf. #7304
	Patent Number
Inventor:	Peter C. Cramton et al.

MESSAGE TO:	US Patent and Trademark Office
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Attorney Dkt. #:	21736-00011-US
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PAGES (Including Cover Sheet):	10
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Application No. (if known): 09/740,930

Attorney Docket No.: 21736-00011-US

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Pre-Appeal Brief Request for Review (6 pages)

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PRE-APPEAL BRIEF REQUEST FOR REVIEW		Docket Number (Optional) 21736-00011-US	
		Application Number 09/740,930-Cont. #7304	Filed December 21, 2000
		First Named Inventor Peter C. Cramton et al.	
		Art Unit 3628	Examiner F. Poinvil

Applicant requests review of the final rejection in the above-identified application. No amendments are being filed with this request.

This request is being filed with a notice of appeal.

The review is requested for the reason(s) stated on the attached sheet(s).
Note: No more than five (5) pages may be provided.

I am the

applicant /inventor.
 assignee of record of the entire interest.
See 37 CFR 3.71. Statement under 37 CFR 3.73(b)
is enclosed. (Form PTO/SB/96)
 attorney or agent of record.
Registration number _____
 attorney or agent acting under 37 CFR 1.34.
Registration number if acting under 37 CFR 1.34. 24,351


Signature

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Telephone number

August 1, 2006

Date

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required.
Submit multiple forms if more than one signature is required, see below*.

*Total of 1 forms are submitted.

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Docket No.: 21736-00011-US
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Peter C. Cramton et al.

Application No.: 09/740,930

Confirmation No.: 7304

Filed: December 21, 2000

Art Unit: 3628

For: SYSTEM AND METHOD FOR THE
EFFICIENT CLEARING OF SPECTRUM
ENCUMBRANCES

Examiner: F. Poinvil

STATEMENT ACCOMPANYING PRE-APPEAL BRIEF FOR REVIEW

THE SECTION 103 REJECTION SHOULD BE WITHDRAWN

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

The subject matter of this application relates to auction technology and more particularly to a relationship between two auctions. Even more specifically, the rejected claims relate to processing bids in one auction based on either the bids or the outcome of another auction.

The application includes method claims 51, 63, 99, and 101 and apparatus claims 75, 87, 100, 102, 103 and 104.

Some of the claims are directed at either a method or system for "conducting a first auction for a first set of items, said first auction conducted in association with a second auction of a second set of items, said first set of items being different from said second set of items". Other claims are directed at a method or system "for conducting a first auction of a first set of items, and a second auction of a second set of items, said first set of items being different from said second set of items".

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Some of the claims (51, 75, 99 100 and 103) are directed at a constraint placed on bids after they are made but before they are accepted. For example, the method claims recite, in clause (C), "constraining the received bids by accepting only bids which satisfy a constraint based on bids in the second auction".

A second subset of the claims (63, 87, 101, 102 and 104) are directed at a method or system which includes "accepting bids from bidders for items in the first set of items, at least one of the bids from one of the bidders conditional on said bidder winning a complementary item in the second auction," and "eliminating each of the conditional bids which fail to satisfy any of their conditions, and thereafter assigning the first set of items to bidders based on the bids in force subsequent to the eliminating of the conditional bids which failed to satisfy any of their conditions". In other words there is at least one bid in the first auction which is "conditional on said bidder winning a complementary item in the second auction". Further when the bids are processed, bids are eliminated "which fail to satisfy any of their conditions" and assigning is "based on the bids in force subsequent to the eliminating of the conditional bids which fail to satisfy any of their conditions".

Thus, claims 51, 75, 99, 100 and 103 are limited by a constraint which is placed on the bids in order for the bids to be accepted. On the other hand, claims 63, 87, 101, 102 and 104 are directed to a processing of the bids after they are accepted but before they become effective to actually result in items being assigned to a bidder, by eliminating certain of the bids.

As will be developed below, neither of the references relied on in the rejection has any relation to the subject matter of either the constraining clause or the eliminating clause.

In connection with the "constraining" subject matter, the rejection relies on a passage in the Rackson reference to the effect that:

"The method of the current invention may also be used to coordinate the purchase of more than one of the target item. In another version of the invention, relative value rules may be established where a bidder is bidding on two or more similar but not identical items and only wants a certain number. For example, where there are 2 similar stereos

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and the bidder says "I will pay a 10% premium for stereo B over stereo A, but never more than \$350.00 for either." The system will utilize this rule to identify and bid on the items sought with the rule enforcing the bidding preference. Based on the bids encountered the system may alternately bid on one or the other item as the bids progress until the close of the auction. Bidders may optionally define rules for the total price or individual price not to be exceeded for multiple items for a quantity desired such that the bidding is stopped by the multi-auction service."

The rejection relies on the foregoing passage as somehow related to "constraining the received bids". To the contrary, at most the passage relates to bids which may be made. But the claimed subject matter, "constraining the received bids by accepting only bids which satisfy a constraint based on bids in the second auction" deals with the acceptance of bids already made¹. The references describes how a bid is formulated by the party *making* bids; the passage says nothing about how bids may or may not be accepted by the party *receiving* bids (the claimed subject matter).

At page 4 the rejection admits that "Rackson et al. do not explicitly state constraining bids by accepting only bids which satisfy a constraint based on bids in the second auction". The rejection relies on the secondary reference, Fritts, who allegedly "teaches constraining bids by accepting only bids which satisfy a constraint based on bids in the second auction". In fact Fritts does not describe any such subject matter. At most, as admitted in the action (p. 4), Fritts states that "strong synergies exist among licenses and preferences by bidders". The passage relied on in the rejection (referring to synergies and bidders preferences) does not refer to the FCC's Simultaneous Ascending Auction; rather, the passage relied on refers to another type of auction, a combinatorial auction. In a combinatorial auction, there is only a *single* auction in which multiple items are sold, and so Fritts, in the passage relied on in the rejection, actually teaches away from the claimed invention. The claimed invention is in the context of at least first and second auctions, i.e., *multiple* auctions. Fritts (p. 13) goes on to briefly describe the FCC Simultaneous Ascending Auction. As the name implies, this procedure also involves a *single*

¹ The difference is significant. Assume that an auctioneer fails to accurately record a bid. The reference operation is unaffected since it is based on bids made by the bidder and the failure does not impact the bidder's knowledge of his own bids. On the other hand the system or method of the invention would not operate properly since its operation depends on the auctioneer's knowledge of the bids.

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auction in which multiple items are sold; there is no suggestion in Fritts that any bid is in any way conditioned on a bid in another auction. The subject of the passage relied on in the rejection is thus a *single* auction—it takes place unrelated to any other auctions. In other words, neither of the references describes the “constraining” subject matter of claims 51, 75, 99, 100 and 103, and the claims dependent thereon. The rejection concludes (page 4) with the allegation that “it would have been obvious to one of ordinary skill in the art at the time the invention was made to incorporate the teachings of Fritts into Rackson in order to allow bidders to bid on a first item being auctioned at a first auction and the second item being auctioned at a second auction thereby providing a system in which bidders may bid on compatible products/services in one stop or system”. This allegation is much too general to affect the patentability of the “constraining claims”; the allegation fails to mention constraining bids, much less constraining bids in one auction based on bids in another auction—or even mentioning multiple auctions. There is no other discussion in the final rejection concerning the “constraining” subject matter. It is apparent that neither reference describes the claimed “constraining” subject matter and no reasoning has been offered in the Office Action sufficient to justify the rejection of these claims.

The “eliminating” subject matter of claims 63, 87, 101, 102, and 104 and the claims dependent thereon is discussed solely at the bottom of page 5 of the rejection. At this point, the rejection alleges that “both Rackson et al. and Fritts discuss various bidding rules. The Examiner asserts that if a conditional bid does not satisfy a certain bidding rule or requirement, eliminating each of the conditional bids which fail to satisfy certain conditions and thereafter assigning the first set of items to bidders based on bids in force subsequent to the eliminating function would have been obvious to one of ordinary skill in the art to do because only bidders satisfying all requirement and while placing a proper bid would have been awarded the bidden items”.

At this point, the Examiner appears to misunderstand the complex subject matter of the claimed invention. In the “eliminating” subject matter, a bid is *not* being eliminated because it violates bidding rules or requirements. Rather, a bid in an auction is being eliminated because it was a conditional bid that was conditioned on the bidder winning one or more complementary items in a second auction—if the bidder fails to win such items in the second auction, the bid in the first auction is eliminated. Note there is no assertion that either reference mentions or hints at

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conditional bids — the only teaching of conditional bids in this file is found in this application. At most the rejection refers to the references disclosing "bidding rules" (p. 5). Neither the rejection nor the cited references mention or hint at an auction in which a bid is conditioned in any way, much less conditioned on the outcome of another auction. This is the claimed subject matter. Since neither reference describes or suggests an auction with a conditional bid, it follows that neither reference describes or suggests processing bids by eliminating certain conditional bids, as is claimed. Thus claims 63, 87, 101, 102 and 104 (and their dependent claims) are patentable on the basis that neither of the references relied on describes the claimed "eliminating" subject matter. The reasoning offered in the Action *assumes* that bids may be conditioned, this is tantamount to *assuming* the invention is anticipated; this is not a proper obviousness rejection. The rejection fails to present a *prima facie* case of obviousness.

For the reasons offered above Applicant suggests the rejections be withdrawn.

Dated: August 1, 2006

Respectfully submitted,

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